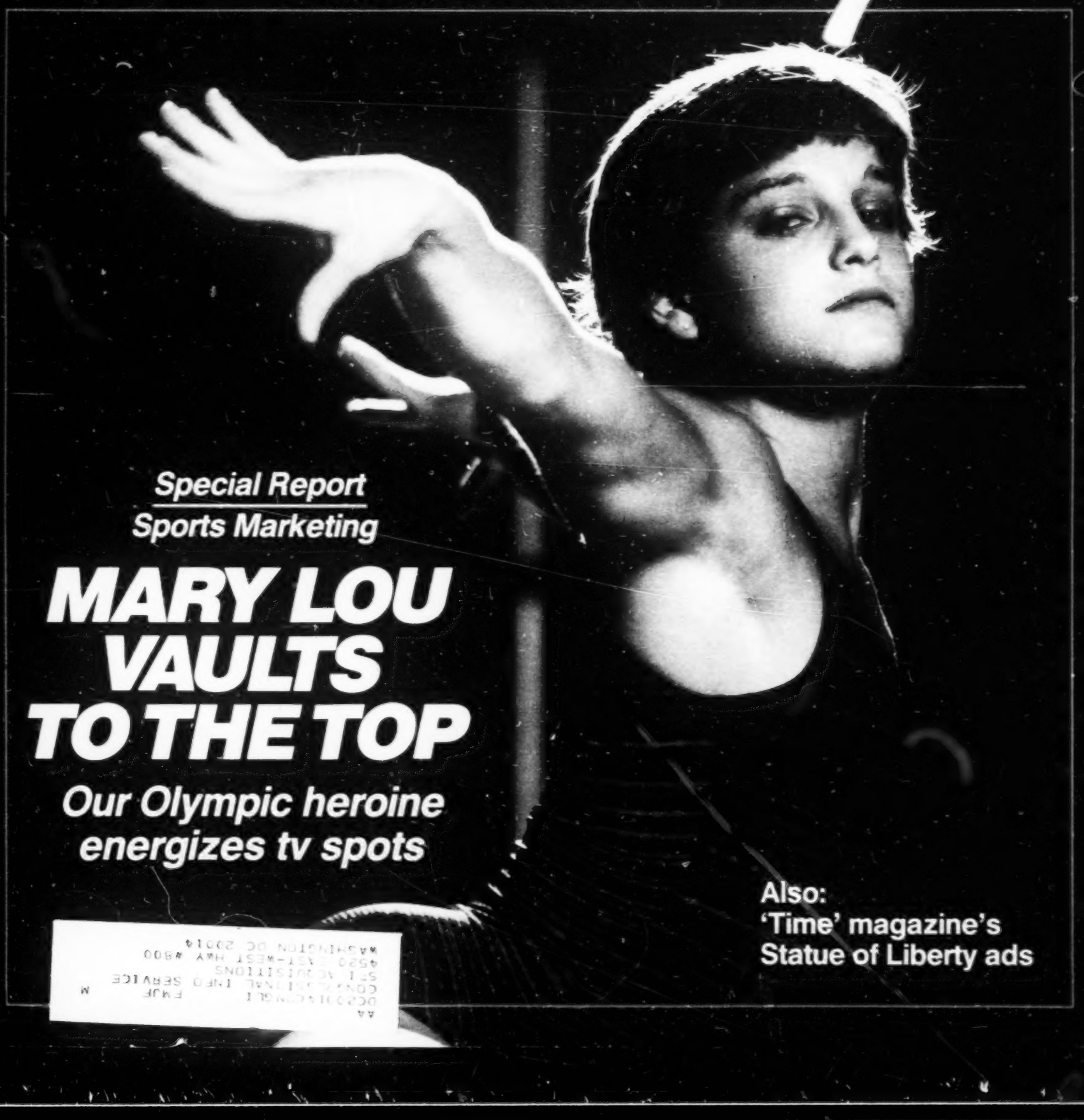
October 31, 1985

Entire contents copyright 1985 by Crain Communications Inc. All rights reserved.

75¢ a copy; $55 a year

Advertising Age Thursday

Crain's Magazine of the Creative Process©



Special Report

Sports Marketing

MARY LOU VAULTS TO THE TOP

Our Olympic heroine energizes tv spots

Also:
'Time' magazine's
Statue of Liberty ads

AA
DC20314CONSULT EMJF M
CONSUMER INFO SERVICE
571 ADDISON
4520 EAST-WEST HWY #800
WASHINGTON DC 20014

Thursday

Hello, Mary Lou

Corporate America's newest sweetheart—and ubiquitous spokeswoman—is a 17-year-old, gum-chewing, 4-ft., 9-in. West Virginian. Olympic gymnast and gold-medal winner Mary Lou Retton already may have vaulted into history as the most successfully marketed athlete ever. Between September, 1985, and September, 1986, the marketers that are using Mary Lou will make $35 million in media buys. *See Page 20.*

Cover photo by Shelly Katz

Oh, Lord

Tom Mabley's recent move to Henderson Friedlich Graf & Doyle (billing $35 million to $40 million) as its exec vp-creative director, U.S., from a key position at the creative centrifuge of Lord, Geller, Federico, Einstein (billings $200 million), is not, he insists, *just* for a substantial chunk of equity. For one thing, he believes there are strong analogies between the two agencies. "Five years ago, Lord, Geller was about the same size as Henderson Friedlich is now," he says. "Billings were the same; so were the number of employes, and Lord, Geller was characterized by its creative work on small print accounts. . .which may not have billed much but which were considered very good advertising." *See Page 15.*

Special Report—Sports Marketing

Business offices have become playing fields for star athletes, pro teams and sports marketing specialists. Their goal? To push further into big-league marketing territory. *Page 17.*

That's a 70-lb. foam latex and fur-covered motorized suit covering actor Don McLeod, alias Peter Panda. Mr. McLeod shares center stage with attentive angels of mercy for the Child World commerical directed by Joe Standart. Mr. Standart made the transition from still to live photography with these ads.

Special effects panda-monium at Vogt's shop

By Judann Dagnoli

His light-brown hair darkened by perspiration, Don McLeod smiles and runs a paw over his dripping brow. "I used to be a Shakespearean actor before I slipped down the evolutionary ladder," he says.

Clad in a 70-lb., foam latex and fur-covered motorized panda suit, Mr. McLeod stars and swelters as Peter Panda, the silent spokesbear in local tv spots for Child World, the Avon, Mass.-based toy retailing chain.

The 6-ft. costume is the latest creation of San Francisco's McVey & Vogt, a fledgling production company formed by special-effects experts from Lucasfilm's Industrial Light & Magic unit.

Thanks to Mr. McLeod's skills as an actor and mime, and the last-minute attentions of Joseph Vogt, Tony McVey and Richard Snow of McVey & Vogt, Peter Panda was brought to life at 5 a.m. recently, shortly before filming began on a Child World commercial.

Mr. Vogt, 28, is director and creative impetus behind the special-effects group. Mr. McVey is a 32-year old sculptor who helped create characters in films such as "Gremlins," "Superman," "Dark Crystal" and "Star Trek II." Mr. Snow, 29, is a makeup artist and the mechanical wizard behind "Poltergeist II" and "Return of the Jedi."

Mr. McLeod had to cool down every 20 minutes; production company employes helped.

"They've created just the image we're looking for," says Andy Mensing, copywriter, Schneider Parker Jakuc, Boston, the agency for Child World. "A benevolent panda with magical powers campaign."

Mr. Mensing, formerly of New York's Young & Rubicam, and Bill Monaghan, SPJ creative director and onetime BBDO employe, are pitting Peter Panda against Child World's competitor, Rochelle Park, N.J.-based Toys "R" Us and that company's mascot, Geoffrey the Giraffe.

Since "toy companies operate on slim margins," Mr. Mensing says, special effects were almost ruled out until McVey & Vogt created a low-budget but fully technical panda with moving eyelids, mouth and ears. (In bidding for the project, it sent along a miniature panda that was so real "I spent hours talking to it," he says.)

The panda's eyes and ears are operated by remote control and considerable wiring, but the mouth and body movement is controlled by 37-year-old Mr. McLeod, who studied mime with Marcel Marceau and "never planned to be a special-effects actor" until he landed a role as a gorilla in a never-produced film in 1978.

More monkey business followed as he played a primate in "Trading Places," "The Man With Two Brains" and in ads for Proform, Atlas Van Lines, J.C. Penney Co. and American Tourister. The latter won two Clios.

He also is a proficient werewolf—as he demonstrated in "The Howling" —and will be appearing as a "top-secret Steven Spielberg creature who lives under the stairs" in an upcoming episode of "Steven Spielberg's Amazing Stories."

Peter Panda is another hot role for Mr. McLeod—the temperature rises to more than 130 degrees inside the costume—and a feather in the cap of McVey & Vogt. The special-effects company has amassed an impressive list of credits in its brief history, ranging from the American Cancer Society, Rick Springfield's video "Bop Till You Drop" and local advertising accounts including Kikkoman International and Prudential Insurance Cos. of America. In addition, the company will soon be filming a Missing

(Continued on Page 47)

Presstime

FCB to get $20M AT&T job

Basking Ridge, N.J.—AT&T Communications next week is expected to award a $20 million assignment to FCB Direct, New York. Goal of the the effort is to ensure that consumers will keep or select AT&T as their primary long-distance carrier when they move. AT&T estimates that each year, of those households spending more than $11 a month on long-distance service, some 5 million to 7 million move. Other contenders for the account included Chapman Direct Marketing, DR Group, Ogilvy & Mather Direct Response and Wunderman, Ricotta & Kline.

Interpublic profits gain

New York—Interpublic Group of Cos. reports third-quarter gains of 5% in net income to $3.3 million and 8% in revenues to $156.2 million over the same period last year. The weakness of certain foreign operations combined with the strong dollar led to a 2% net income decline to $22.4 million for the January-through-September period, though net billings gains of $406 million helped boost revenues 5% to $485.1 million.

Esty stars for Texaco

White Plains, N.Y.—Texaco has assigned its account to William Esty Co., New York. Benton & Bowles resigned the account after agreeing to merge with Amoco Oil Co. agency D'Arcy MacManus Masius (AA, July 1). Texaco spent $24 million on advertising last year. Ross Roy/Colarossi still handles Texaco's industrial lubricants ads.

Vanderwarker to N.Y.

New York—Tony Vanderwarker, 42, has been named exec vp-director of creative services at Needham Harper Worldwide's division here. He succeeds Bob Cox, 48, who will head a new unit handling special accounts. Mr. Vanderwarker had been senior vp-group creative director at Needham's Chicago unit. He will report to Needham-New York president James Kuras; Mr. Cox will report to John Bradstock, president of Needham Harper International.

One-on-one vs. Santa

Beaverton, Ore.—Nike will break a new holiday-themed tv commercial early next month for Air Jordan basketball shoes. It features the product's namesake, Chicago Bulls guard Michael Jordan, playing one-on-one against Santa Claus. Chiat/Day, Los Angeles, handles.

JWT's first Lowenbrau ads

Milwaukee—Miller Brewing Co. on Nov. 1 breaks new creative for its Lowenbrau superpremium brand during NBC-TV's "Miami Vice" and "Friday Night Videos." The campaign is the first from J. Walter Thompson USA, Chicago, which succeeded Backer & Spielvogel, New York, on the $20 million account (AA, July 8).

EPB rides with Roy Rogers

Washington—Marriott Corp.'s Roy Rogers restaurant chain confirms that its $15 million ac-

(Continued on Page 47)

REGULAR FEATURES

ADVERTISING MARKETPLACE	43
BRADY	41
CURRENTS	8
GOING PLACES	7
LETTERS	45
PARTING SHOT	42
PEOPLE PATTERNS	42
PHOTO REVIEW	14
PRESSTIME	47
REGIONAL UPDATE	46
WORDS FROM GARTNER	41

Vol. 56, No. 85—ADVERTISING AGE (ISSN 0001-8899) is published twice weekly except once a week the first week in January, the first week in July, the fourth week in November and the fourth week in December at 740 Rush Street, Chicago, IL 60611. Second-class postage paid at Chicago and additional mailing offices. Send address changes to ADVERTISING AGE, Circulation Department, 740 Rush Street, Chicago, IL 60611. Microfilm copies are available from University Microfilms, 300 N. Zeeb Rd., Ann Arbor, Mich. 48103. Microfiche copies are available from Bell & Howell, Micro Photo Division, Old Mansfield Rd., Wooster, O. 44691. $1.25 a copy on Monday, 75¢ a copy on Thursday, $55 a year, $100 two years. Add $143 per year for air delivery to Europe & Middle East. Add $49 for surface mail to all other foreign countries. WILLIAM STRONG, vp-circulation; ROGER DI GREGORIO, fulfillment director; HEIDI SCHULTZ, senior circulation manager. Four weeks' notice required for change of address. Address all subscription correspondence to circulation department, Advertising Age, 740 Rush St., Chicago, Ill. 60611 (312) 649-5200.

ABP MPA RED TAG ABC AAAA

NBA practices full-court press in marketing

By Mark Bittman

Jon Spoelstra, vp-marketing for the National Basketball Assn.'s Portland Trail Blazers, Portland, Ore., has seen some enormous changes in the way the league promotes itself. "Seven years ago," he says, "league marketing meetings adjourned in an hour and we'd go drink beers by the swimming pool."

But as few as three or four years ago, the NBA's lack of marketing skills paled in importance to some of the league's other problems.

Some franchises were for sale and others were mismanaged. Players were threatening to strike, and public perception of the league was at an alltime low. Attendance was down, drug use among players was up, and, in a market bursting with network, syndicated and cable tv sports programing, tv ratings were so low that a national cable deal was worth a paltry $600,000.

Now, with WTBS paying $11 million for 55 NBA games, the league enters informal contract negotiations with CBS-TV, its traditional carrier, in its strongest position ever. Not only has the NBA set attendance records for two years in a row, but its tv ratings also are increasing at a time when televised sports generally are suffering.

> **"Our consistent theme is that ... marketing has to take a priority over virtually everything else."**
>
> *—David J. Stern NBA*

Mark Bittman is a frequent contributor to Special Report.

In early 1984, the league avoided a players strike—one it might not have survived—by instituting the widely praised team salary cap. This has led to an environment in which even historically troubled franchises such as the Cleveland Cavaliers can begin making money and building solid basketball teams.

In addition, the league that year negotiated a drug agreement that requires players to undergo testing at the league's request. NBA commissioner David J. Stern calls the agreement, which has given basketball a squeaky-clean look, "the privately negotiated equivalent of a search warrant."

The salary cap and drug testing agreement led to positive press. Since 1983, new owners have taken over in Cleveland, Indianapolis and Kansas City (now the Sacramento Kings), Milwaukee, Chicago, Denver and Salt Lake City, and the league, under Mr. Stern's leadership, began to look more like a business and less like a collection of ego trips.

Furthermore, the marketing department, which just four years ago consisted of three people running what was essentially a primitive licensing operation, has become solid, innovative, profitable and helpful to the individual franchises.

The National Basketball Assn. sells ads in its* Hoop Basketball Yearbook *and licenses products in its merchandise catalog.

That's just what Mr. Stern and the New York-based NBA set out to do when he took over in February, 1984. "Our consistent theme," the commissioner says, "is that, after putting your best team on the court, marketing has to take a priority over virtually everything else."

While Mr. Stern was still the league's exec vp, he began to put that axiom into practice, hiring a consumer products marketing expert, Adrian De Groot, to run NBA Properties. "That was a big departure for the NBA; they brought in someone from Lever Brothers," Mr. Spoelstra says. "But it's proved to be a bright move."

NBA Properties now employs 30 people in three divisions: Retail licensing, marketing and entertainment. Revenues in NBA Properties' first year, the 1980-81 season, totaled $1.2 million; by 1984-85, that figure had risen nearly 400%, to $5.8 million. The league projects $7.5 million for the current season.

"The first thing Adrian set out to change was licensing," says Rick Welts, the NBA's vp-pr. "We didn't have quality merchandise, it was really scattered, and there was no way for a retailer to look for NBA merchandise."

Now the league has a field force representing the line, an over-all higher quality of merchandise spread among fewer licensees and a 100-page official merchandise catalog.

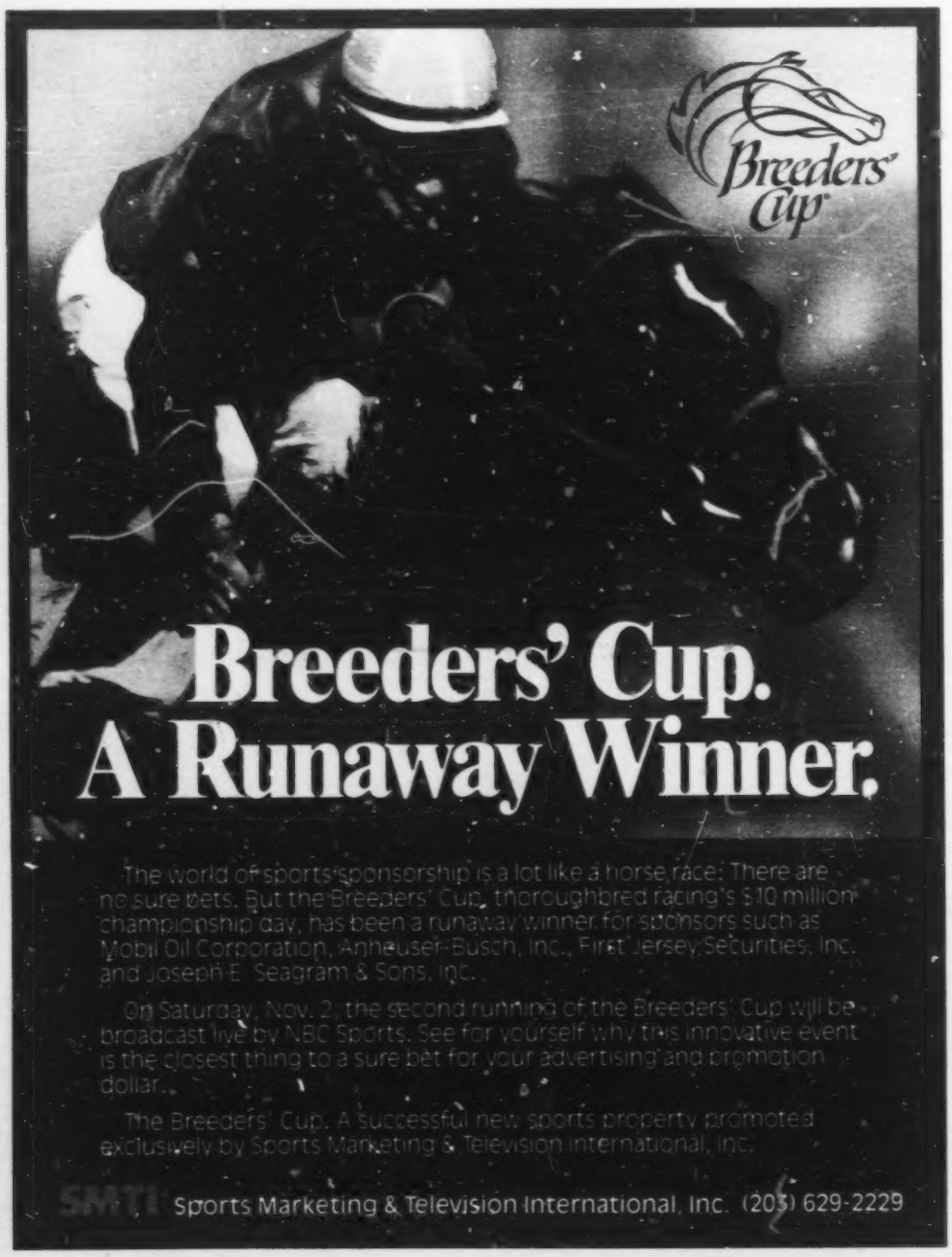
Although the Trail Blazers' income from the licensing operation isn't significant, Mr. Spoelstra says, "We like to see people wearing Blazers jackets of good quality."

The Blazers' over-all income is becoming more significant, however, as a result of the league's intense marketing effort—encompassing licensing, sponsorship and special event programs, media sales and NBA Entertainment in its video/publications group.

The NBA had five corporate sponsors four years ago, has 18 going into this season and expects to add six more this year, according to Mr. De Groot.

Among these are American Airlines, PepsiCo, American Motors Corp. and Allstate Insurance Group. Their involvement ranges from a simple "official" designation—like that of Canon USA's cameras—to an intense

(Continued on Page 28)


Breeders' Cup
Breeders' Cup.
A Runaway Winner.
The world of sports sponsorship is a lot like a horse race: There are no sure bets. But the Breeders' Cup, thoroughbred racing's $10 million championship day, has been a runaway winner for sponsors such as Mobil Oil Corporation, Anheuser-Busch, Inc., First Jersey Securities, Inc. and Joseph E. Seagram & Sons, Inc.
On Saturday, Nov. 2, the second running of the Breeders' Cup will be broadcast live by NBC Sports. See for yourself why this innovative event is the closest thing to a sure bet for your advertising and promotion dollar.
The Breeders' Cup. A successful new sports property promoted exclusively by Sports Marketing & Television International, Inc.
SMTI Sports Marketing & Television International, Inc. (203) 629-2229

SPORTS CELEBRITIES

Champions that Enhance your Marketing and Promotions

- ENDORSEMENTS
- TV COMMERCIALS
- PERSONAL APPEARANCES

WORLD CLASS SPORTS

8530 Wilshire Blvd., Beverly Hills, CA 90211
Phone (213) 659-4603

NBA

(Continued from Page 26)

symbiotic relationship like the one with Warner-Lambert's Schick razors.

The latter relationship has resulted in a tremendous advertising presence for the razor company and has created NBA events that otherwise might not have existed.

"Schick had been looking for a sports-oriented association," says Robert J. Grant, a Schick category director for Morris Plains, N.J.-based Warner-Lambert, "and saw basketball as having a greater skew toward our target audience than even baseball or football. We began our association with the NBA in 1983 and have been enormously pleased with the increase in attendance and the over-all handling."

The company is represented by Peter J. Kaplan, a principal in National Media Group/High Bar Productions, New York. After creating a remarkably successful three-on-three college intramural league—Schick Super Hoops—Mr. Kaplan suggested that Schick become the official blades and razor of the NBA.

"The big sell," Mr. Kaplan says, "was to convince Schick that the NBA was on the rise, with a new cast of characters, and that NBA Properties was suited to work with major corporations."

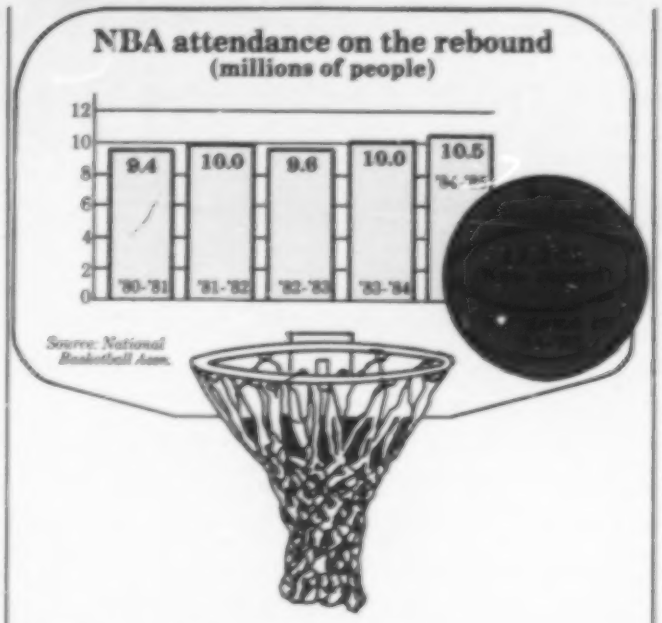
Schick took a one-year contract with the NBA during the 1983-84 season, renewed for a year in 1984-85 and recently signed on for the next two seasons.

"My company is doing close to 100 events for the NBA this year," Mr. Kaplan says. "It's almost like Schick has bought into stock that was near its low point and been with it during the rise."

To the extent that Schick has grown from a small sponsor to a major tv advertiser, the NBA has gained added leverage in CBS negotiations, which ultimately will show up as money for the individual teams.

Larry J. Fisher, the league's vp-media sales, also is seeking to boost the flow of revenue to the teams by providing representation in New York. He's on the hunt for national sponsors looking for local media buys in the 22 NBA cities. This worked with Beatrice Cos.' Fisher Nuts, a national sponsor that recently signed a contract with the Dallas Mavericks, according to Greg Jamison, the team's director-advertising and marketing.

"We've also helped advertisers who didn't want a national ad campaign to get in touch with the markets that they did want," Mr. Stern says. His idea of a cost-free media rep who potentially can sell 23 radio and tv markets "is a real breakthrough," Mr. Spoelstra says. "That is going to help the weaker teams, and it's even better because there's no commission." He says the league assistance should help teams expand their national advertiser lineup —traditionally limited to beer and car marketers—with smaller companies and products.



Mr. Spoelstra's Trail Blazers were pioneers in developing another angle in media sales that the league has helped popularize among other teams.

"Everyone used to sell 82 games to radio and 20 to television," Mr. Welts says. "But the Blazers began to pick their own stations and retain the rights, selling [to advertisers] a deal which includes signage in the arena, ads in the program, names on tickets and so on."

NBA Properties also has created an office to help teams share solid marketing ideas such as postgame concerts, toll-free numbers and the league's new program designed to cut down on drinking and driving, which began in Washington and will be in seven NBA cities this year. The program is co-sponsored by the U.S. Department of Transportation and CBS-TV.

The league's publishing and video groups further smooth the path between teams and sponsors.

Four years ago, for example, the NBA had a warehouse full of game films that no one knew what to do with. "That's all changed," Mr. Welts says. "The video production group is a going outfit which retrieves every game that's broadcast and is developing a complete library."

Despite its huge initial cost, the video group has become a profit center. Its 30-second vignettes have been used by sponsors including Schick and the U.S. Army; Quaker Oats' Gatorade and AMC are taking advantage of them as well.

Warner-Lambert's Schick razors began its relationship with the National Basketball Assn. in 1983.

Longer film clips are used by teams to upgrade the quality of their locally broadcast halftime shows.

The publishing group, which began as a league pr vehicle, also has become profitable; the NBA and its teams sell space in the official league magazine, *Hoop*, published eight times a year. The league even is making money on its calendar, including advertising in its 20 pages and packaging it as the *Hoop Basketball Yearbook*.

Speaking for the teams, Messrs. Spoelstra and Jamison both say they appreciate the way the league has changed in recent years. "The fact that they can sell national sponsorships on a leaguewide level," Mr. Jamison says, "gives more credibility to both leagues and teams."

"Now they're running the league the way a marketing company would run it," Mr. Spoelstra says. "It's not just scribbling notes on the back of an envelope anymore."

That's the way the commissioner wants it. "The whole marketing group at NBA Properties is geared to giving sponsors more exposure than a 30-second spot," Mr. Stern says. "And when the NBA does a positive job of marketing the league, it helps the clubs market themselves; attendance and tv ratings both go up."

With limited national tv exposure, he says, "We're offering sponsors much more exclusivity. We're focusing our product to make first the fans and then the sponsors recognize its value. We're fighting for a certain demographic, and our challenge for the next decade is to broaden that demographic; we owe that to the people who use the NBA as a vehicle and are in a position to do it."

The NBA's demographics compare favorably to those of football and baseball if the advertiser is looking for young men at leisure. Simmons Market Research Bureau's 1985 statistics show that the most frequent attendees of NBA games are men, 25 to 34-year-olds, college graduates, singles and blacks.

But the league and its teams are seeking to increase the number of women interested in the game, and a recent Dallas Mavericks survey revealed an audience that was 30% female.

Meanwhile, Mr. Stern is looking at a broader audience. "We're comfortable marketing the third most popular sport in the U.S.," he says, "but overseas" —where basketball is the second most popular sport after soccer —"we have the advantage; and we're perceived as playing the highest caliber of basketball in the world."

Now that the league and its owners are taking care of business, coaches and players can concentrate on maintaining that reputation. ■

POWER BROKERS
Motorsports marketing is our specialty. We create, promote and manage motorsport campaigns which deliver results . . . at the finish line and at the bottom line. Give us a call, and make a Championship choice. You'll like the results!
THE CHAMPIONSHIP GROUP
SPORTS AND LIFESTYLE MARKETING CONSULTANTS
3690 N. Peachtree Rd. • Suite 300
Atlanta, Ga. 30341 • Ph. (404) 457-5777